

Genetron Holdings Limited

1Q 2021 Financial Results

May 2021

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Three Proprietary Technology Platforms

 One-step Seq

 Mutation Capsules

 FusionScan

Total Addressable Market

Market potential in China⁽¹⁾

#1 in China for Biopharma Partners

~40 Total Biopharma Partners

Biopharma Services
TAM \$0.5bn

Diagnosis & Monitoring
TAM \$6.7bn

Early Screening
\$7.2bn liver
TAM \$5.8bn lung
\$23bn CRC

#1 in China for IVD approved products

Top 3 in China for LDT Revenue

7 Products in Pipeline
2-day TAT for S5+Lung 8

1st Published Liver Cancer Prospective Study

Source: Frost & Sullivan
(1) Market potential as of 2023

- Recent Events Recap
- Early Screening –HCCscreen™ Updates
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Financial

- Total revenue **RMB 92.1 million** for 1Q2021, **19.8% y/y revenue growth**. Excluding Covid test revenue of RMB 16.6 million in 1Q2020, total revenue grew **52.9% y/y**
- **Gross margin improved to 59.3%** vs 55.0% in 1Q2020

Operational/ Strategic

- Exclusive partnership for **HCCscreen™** with Sino Biopharm's subsidiary, **Chia Tai Tianqing**
 正大天晴药业集团
CHIA TAI TIANQING PHARMACEUTICAL GROUP
- Strategic partnership with **Siemens Healthineers**  to promote large-scale application of **Genetron's S5 platform and lung cancer 8-gene IVD assay**
- Strategic cooperation with **JD Health**  京东健康, a subsidiary of JD.com, Inc., to jointly create an **internet innovation model for full-cycle cancer solutions**

Research

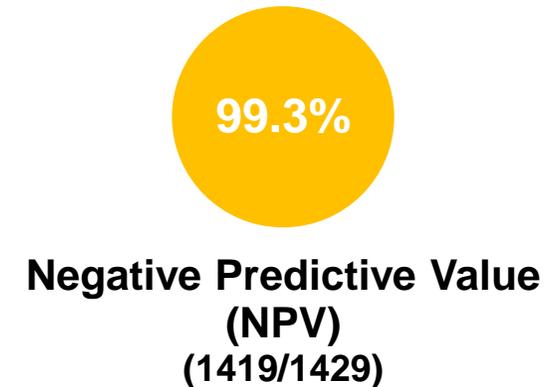
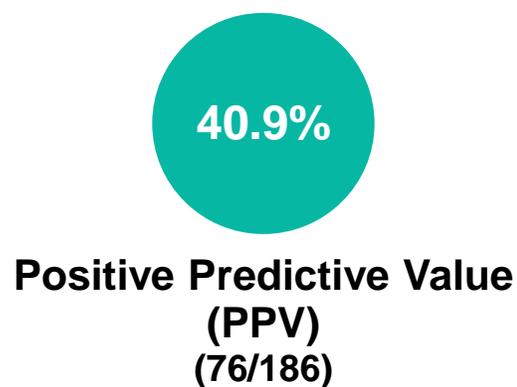
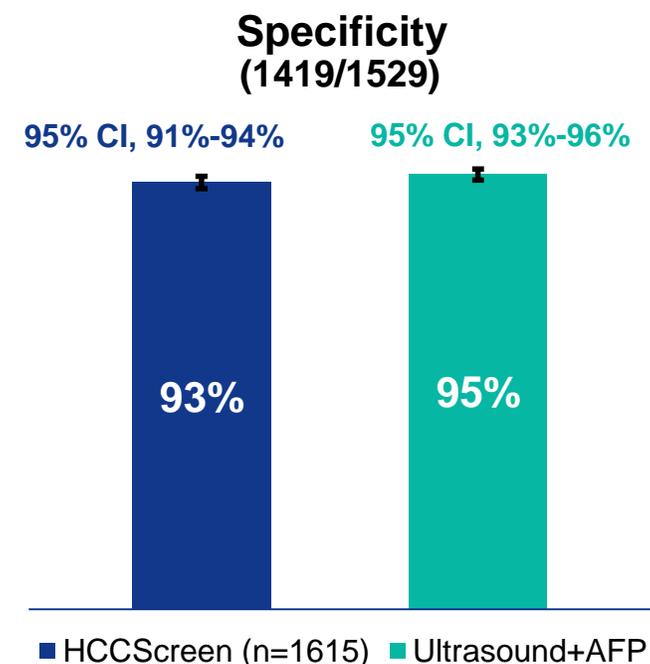
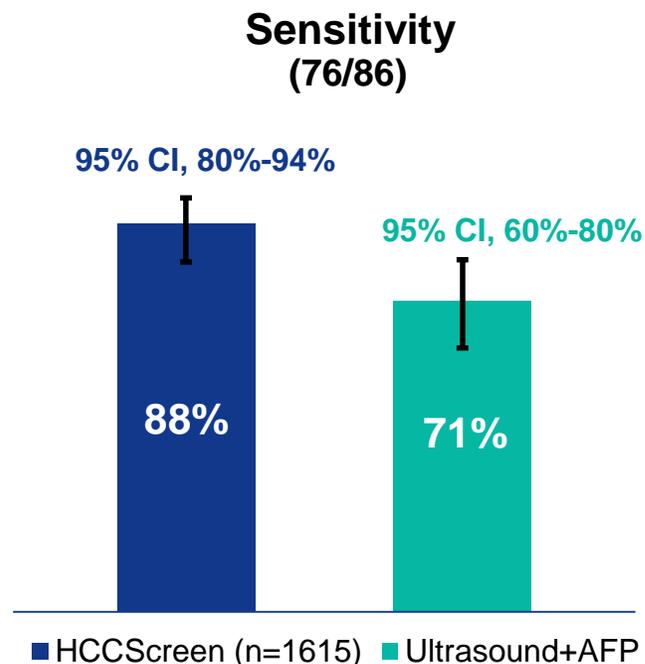
- New prospective **HCCscreen™** data - **88% sensitivity, 93% specificity, 40.9% PPV, 99.3% NPV**

(1) Chinese Anti-Cancer Association Guidelines for Patients with Primary Liver Cancer

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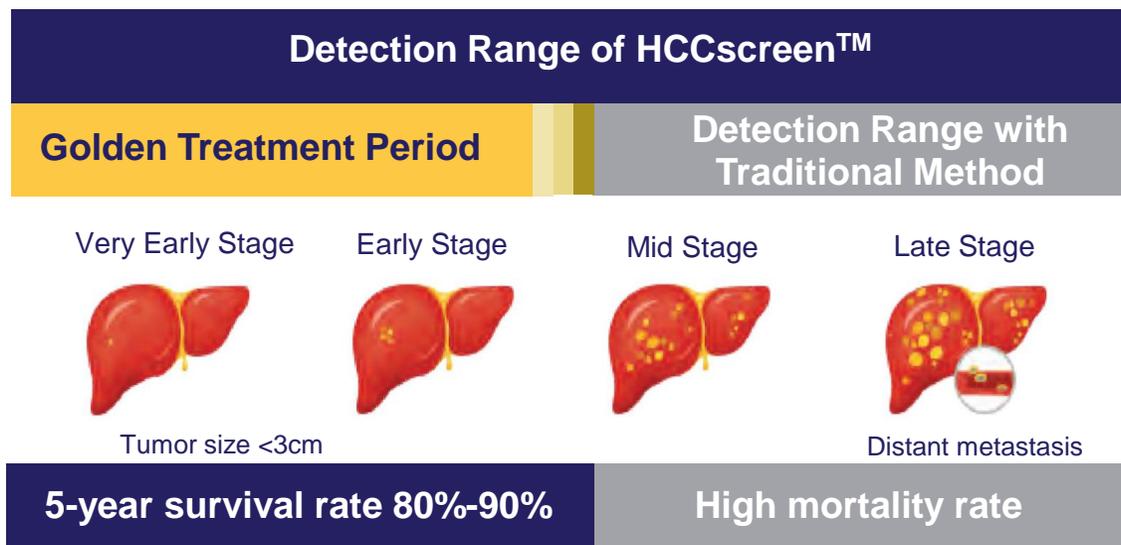
- Collaboration study started in 2019 with the **National Cancer Center**
- **Multi-center study**
- **2,000 HBsAg+ patients** were tested by HCCScreen™ and Ultrasound + AFP
- Completed follow-up work for **1,615 cases**

HCCscreen™ Test	Clinical Diagnosis		
	HCC	Non-HCC	Total
Test - Positive	76	110	186
Test - Negative	10	1,419	1,429
Total	86	1,529	1,615

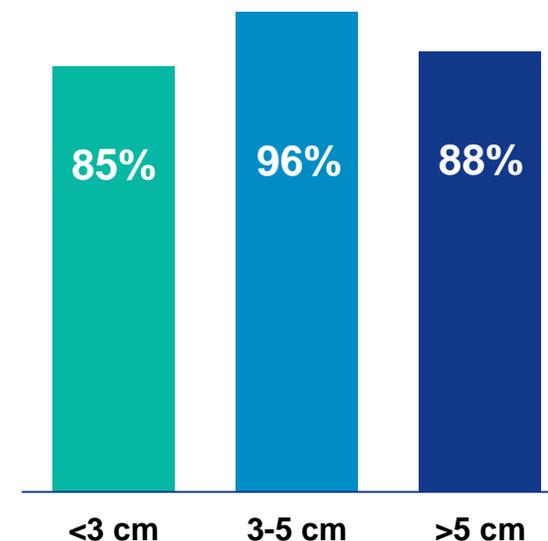


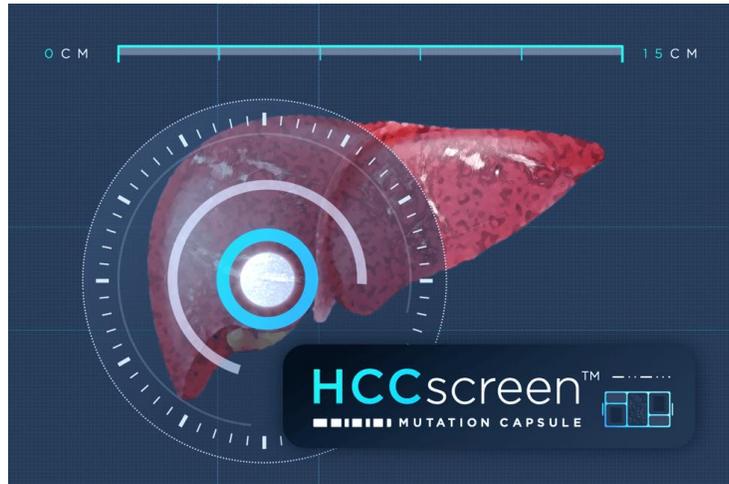
- HCCscreen™ demonstrated **excellent sensitivity in detecting early-stage HCC**
- These patients are expected to have much better prognosis than advanced-stage

HCCscreen™ Test	Tumor Size			Total
	<3cm	3-5cm	>5cm	
Test positive	28	22	7	57
Test negative	5	1	1	7
Total	33	23	8	64



Sensitivity





- Powered by Genetron’s innovative and proprietary **Mutation Capsule** Technology
- Received **U.S. FDA** breakthrough designation – expands geographical reach 

JDH 京东健康

Aim to jointly create an internet innovation model for full-cycle cancer solutions



iKang 爱康
iKang Medical Exam

NCC
NATIONAL CANCER CENTER
国家癌症中心



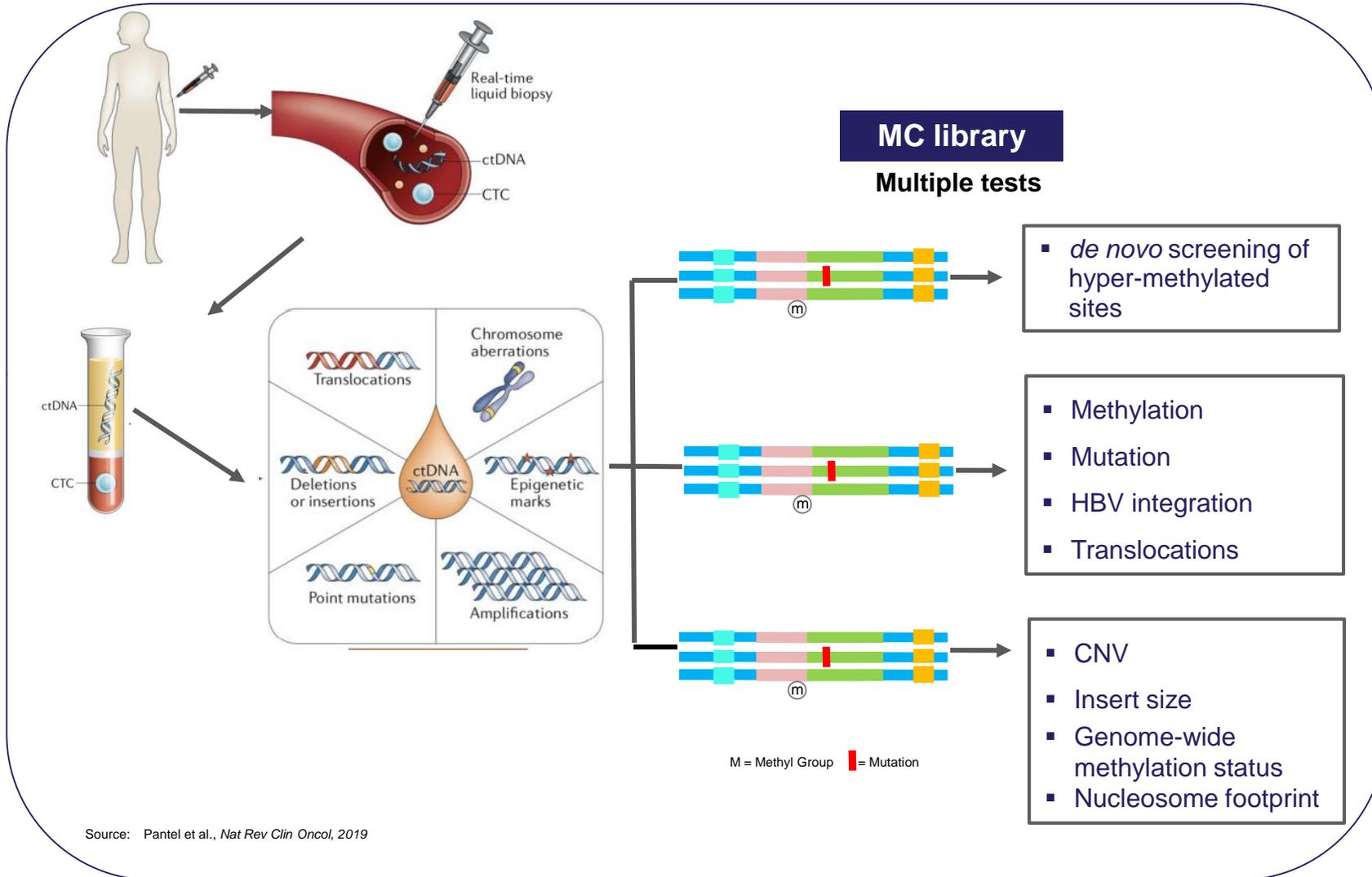
江苏无锡(惠山)生命科技产业园
Jiangsu Wuxi (Huishan) Life Science & Technology Industrial Park
L-PARK

Selected by the NCC/Wuxi government for public health initiative

正大天晴药业集团
CHIA TAI TIANGING PHARMACEUTICAL GROUP

Partnership with CTTQ (30%+ share in hepatitis antiviral drugs, 7000+ sales reps, and 2000+ hospitals)

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Source: Pantel et al., *Nat Rev Clin Oncol*, 2019

Features and Advantages:

-  In parallel profiling of **mutation and methylation markers**
-  *De novo* discovery of **methylation sites**
-  Support **multiple tests** from a single ctDNA sample
-  **Strong performance** with significant time and cost savings

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Starting from LDT then evolving into “LDT + IVD”

Laboratory developed test (LDT)

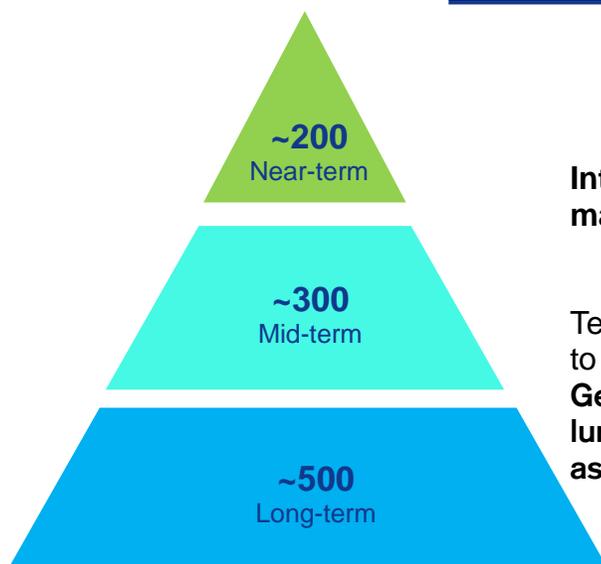
- Initially hospitals unable to run complex NGS testing in house
- Third party labs provide service to hospitals
- Fast adoption of latest technology



In vitro diagnostics (IVD)

- Generate incremental revenue for hospitals
- Currently the only pathway to public medical insurance
- Lengthy large size clinical trials required by NMPA

We provide LDTs to ~500 top hospitals in China, and we are actively selling IVDs to them



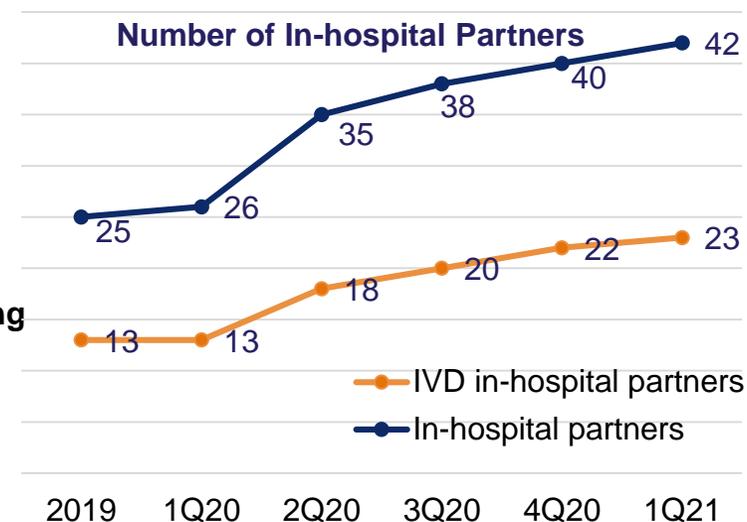
Targeting ~1000 Class 3 Grade A hospitals for cancer treatment in China

~290
Internal direct sales and marketing representatives

Teamed up with **SIEMENS Healthineers** to advance the use of **Genetron S5 platform and lung cancer 8-gene IVD assay in hospitals**

LDT 500+ hospitals ordered tests from us

IVD 42 in-hospital partners ⁽¹⁾ including 23 IVD In-hospital partners ⁽²⁾



(1) The number of total in-hospital partners include both sales of LDT services and IVD products.
(2) By March 31, 2021

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1Q2021 revenue growth drivers:

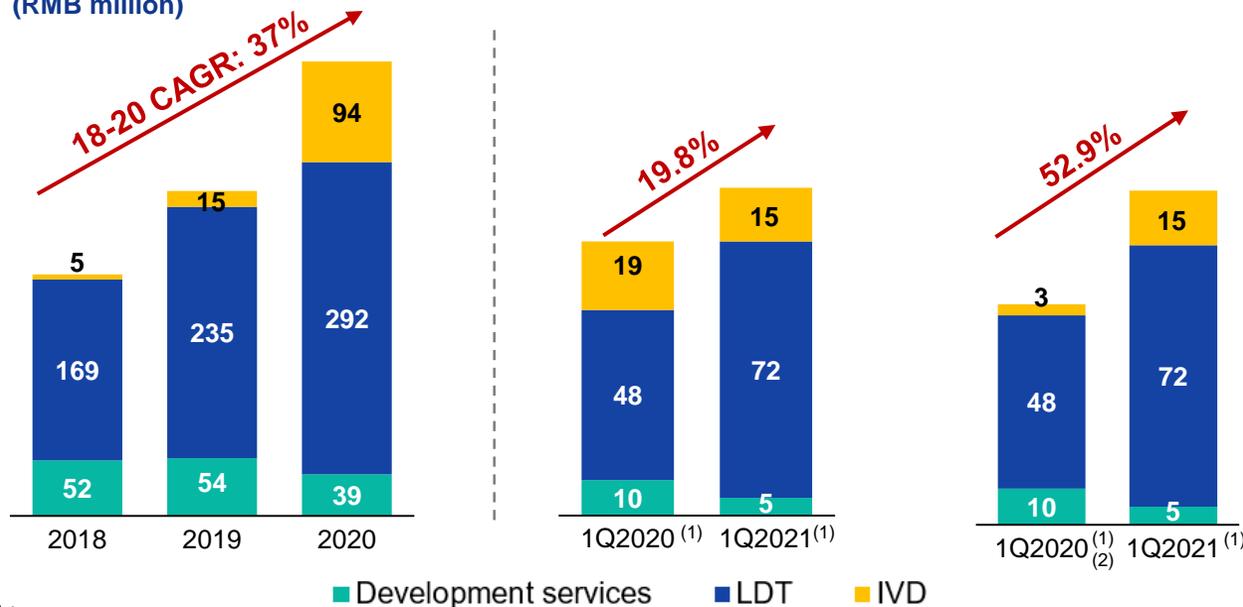
- LDT: Driven by rapid early screening adoption, as well as growth in LDT diagnostic tests
- IVD: Year-over-year decrease was due to Covid-19 testing revenue of RMB 16.6M which was booked in 1Q20. Without this, IVD sales grew 490.3%
- Development services: Continued strategic shift to biopharma services

Robust revenue growth in 1Q2021

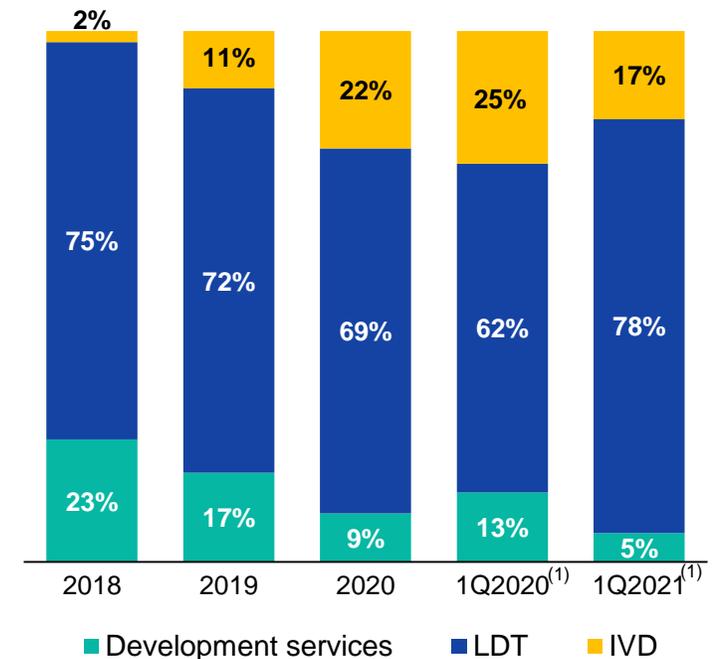
of LDT tests

15,600 22,900 21,900 3,933 5,100

(RMB million)



LDT revenue as a percentage of total revenue increased in 1Q2021

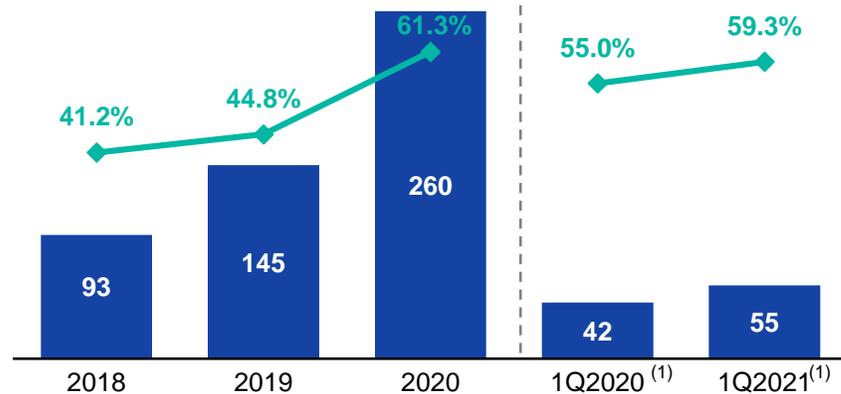


Note:
(1) Unaudited financial numbers
(2) Excluded Covid-19 testing revenue in 1Q2020

First Quarter 2021 Gross Margin

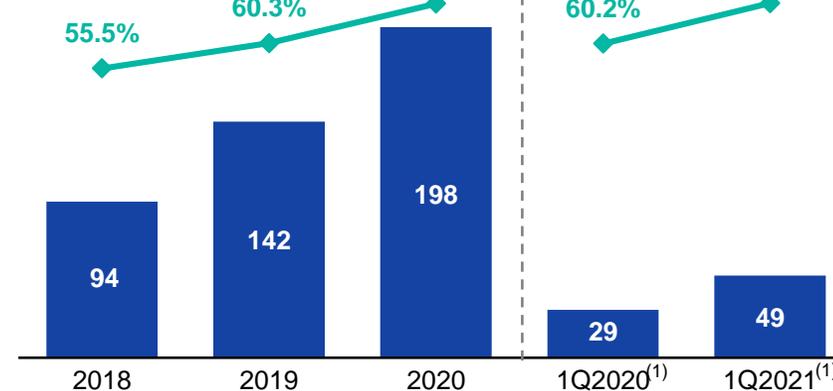
Gross profit and margin

(RMB million)



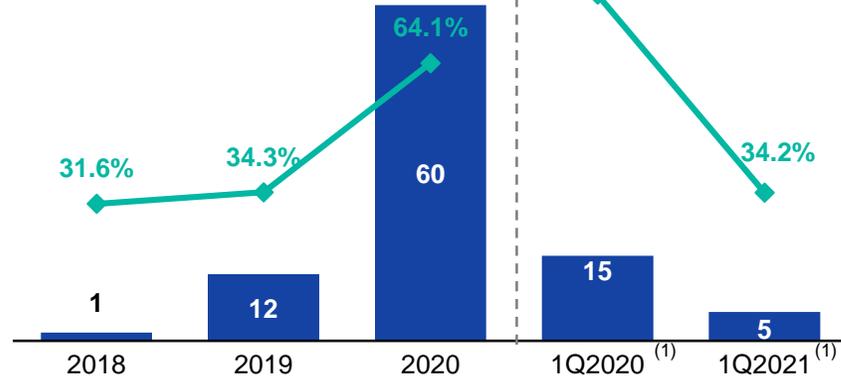
Gross profit and margin (LDT)

(RMB million)



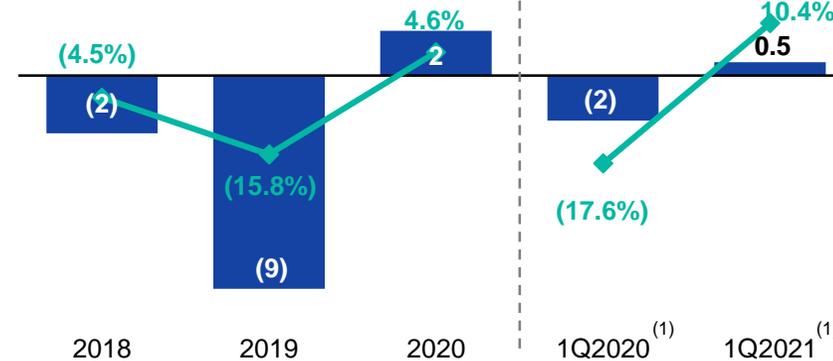
Gross profit and margin (IVD)

(RMB million)



Gross profit and margin (Development services)

(RMB million)

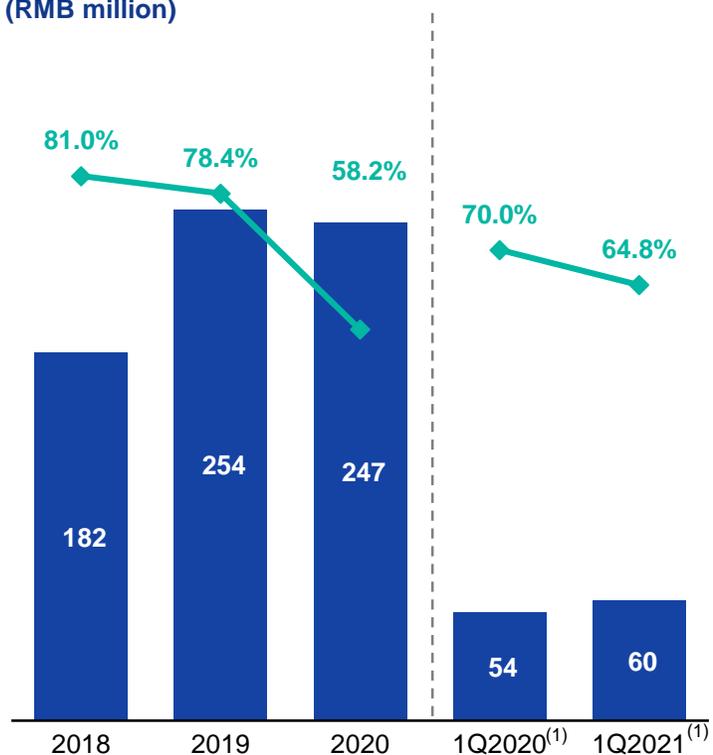


Note:
(1) Unaudited financial numbers

First Quarter Operating expenses

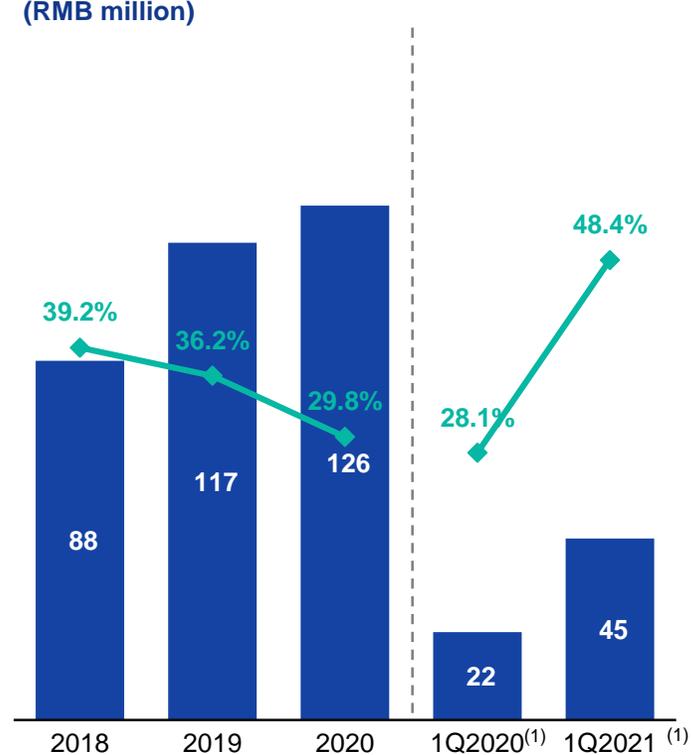
Selling expenses

(RMB million)



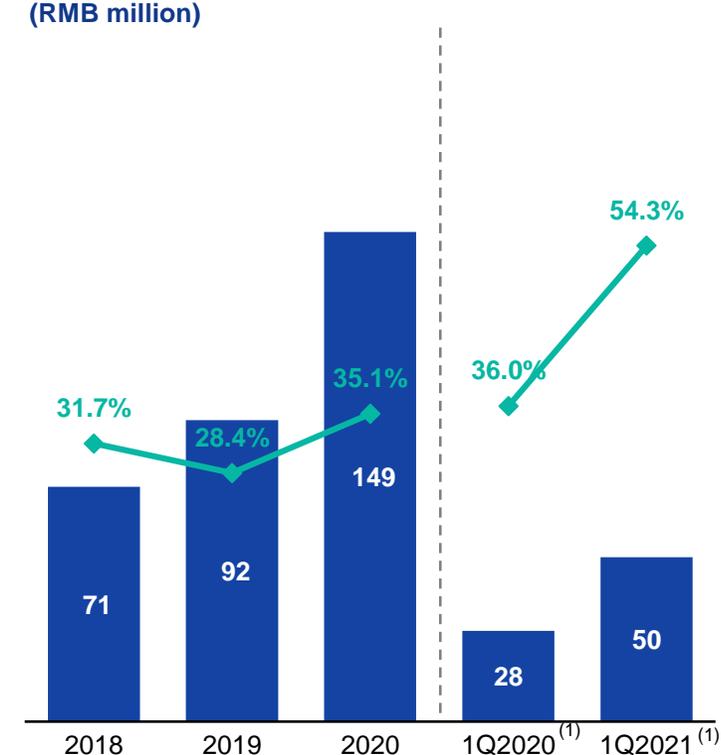
Administrative expenses

(RMB million)



R&D expenses

(RMB million)



■ Selling expenses ■ Percentage of total revenue

■ Administrative expenses ■ Percentage of total revenue

■ R&D expense ■ Percentage of total revenue

Note:
(1) Unaudited financial numbers

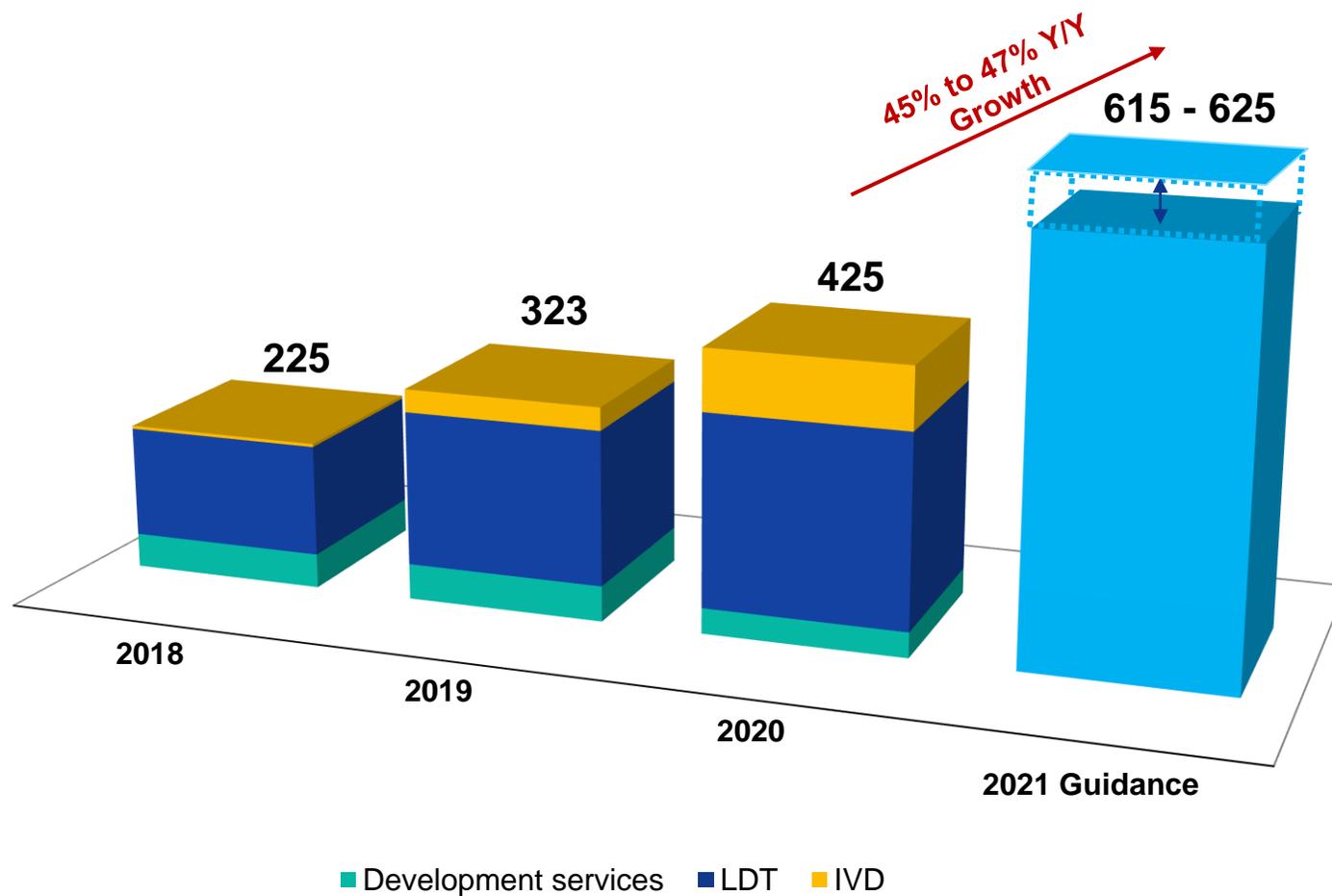
First Quarter 2021 unaudited financial highlights

(in RMB million)	First Quarter		
	Q1 2021	Q1 2020	Y/Y Change
Revenue	92.1	76.8	19.8%
Diagnosis & monitoring- LDT	71.8	47.6	51.0%
Diagnosis & monitoring- IVD	15.3	19.2	(20.5)%
Development services	5.0	10.1	(50.6)%
Gross margin	59.3%	55.0%	430bps
Selling expenses (% of rev)	64.8%	70.0%	(520)bps
R&D expenses (% of rev)	54.3%	36.0%	1830bps
Admin expenses (% of rev)	48.4%	28.1%	2030bps
Operating loss	(109.0)	(67.2)	62.3%
Net loss	(115.0)	(115.5)	(0.4)%
Non-IFRS loss ¹	(105.8)	(65.6)	61.2%
Ending cash balance ²	1,069.0	180.9	491.0%

1. Non-IFRS loss represents net results excluding share-based expenses, fair value change and other loss of financial instruments with preferred rights. Please refer to appendix for the reconciliation of non-IFRS loss for the year/period to net loss for the year/period

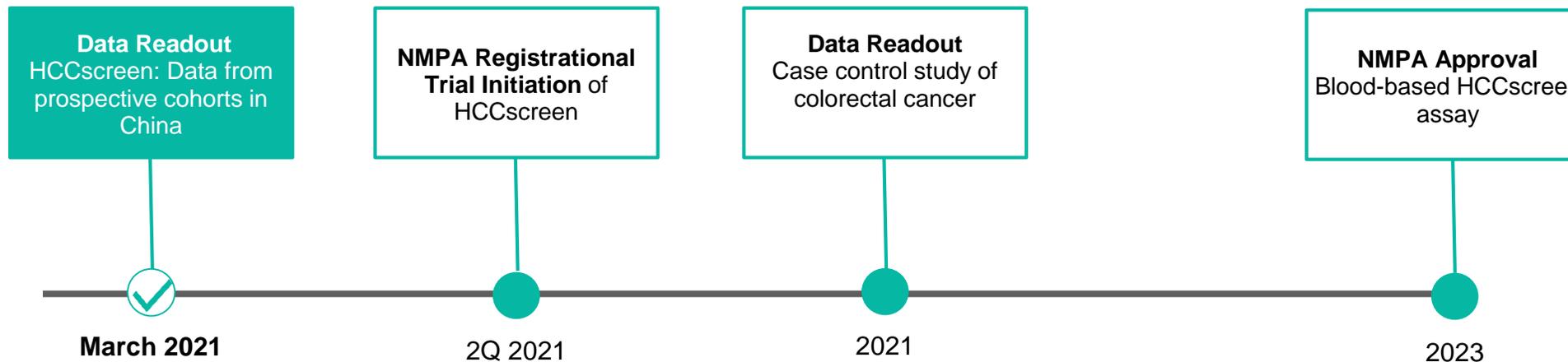
2. Cash and Cash Equivalents

(RMB million)

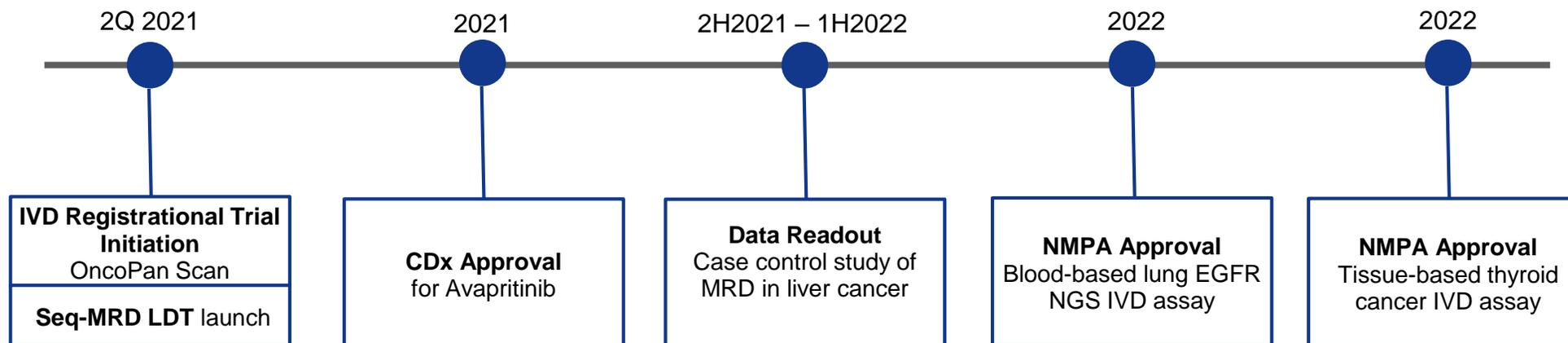


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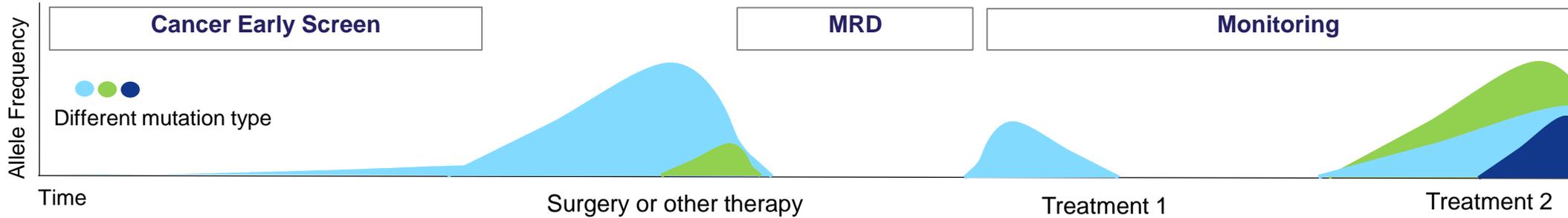
Screening:



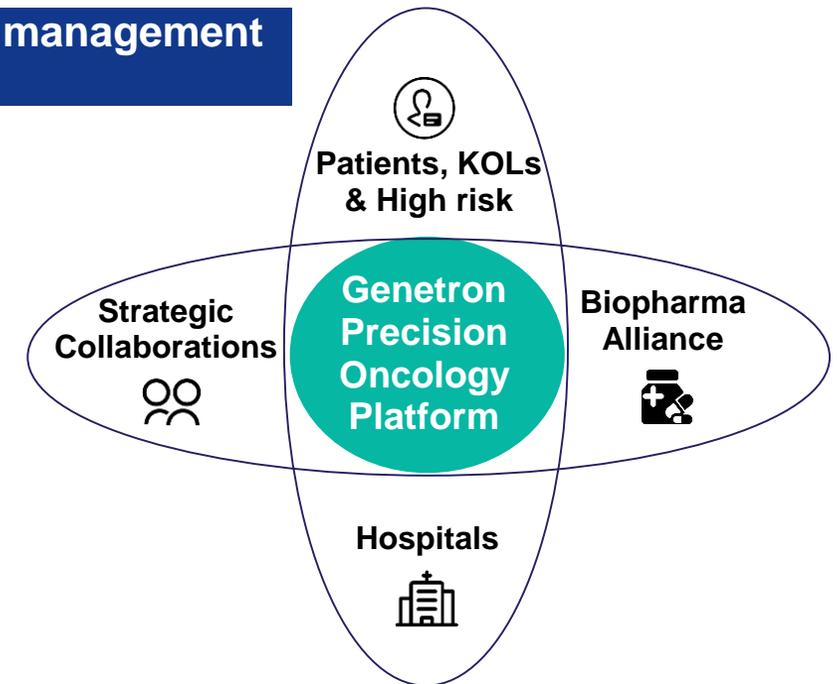
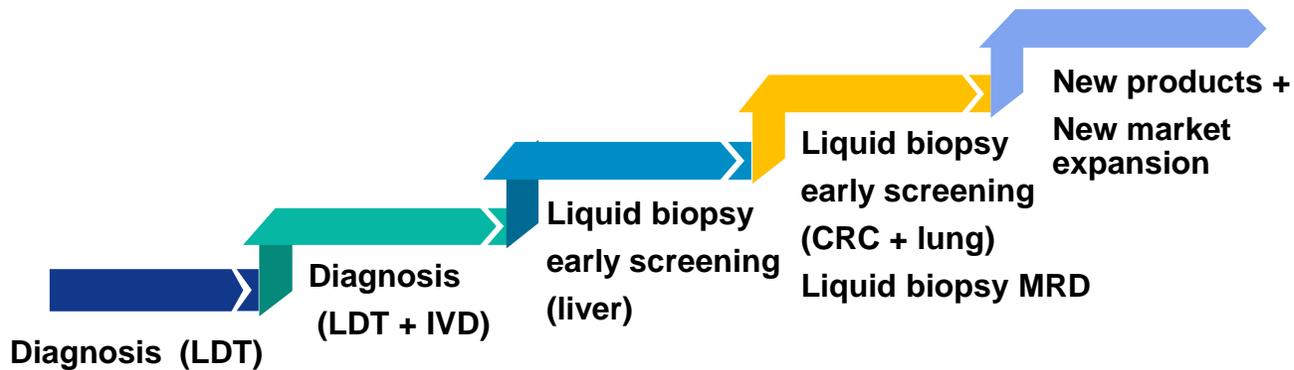
Diagnosis & Monitoring / CDx:



Well-positioned to become a prominent liquid biopsy player



Develop liquid biopsy-based solutions across the full-cycle cancer management
Continue to ramp up our commercialization efforts



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Reconciliation of non-IFRS net loss to net loss for the period

UNAUDITED NON-IFRS FINANCIAL MEASURES

	For the three months ended,	
	March 31, 2020	March 31, 2021
	RMB'000	RMB'000
Loss for the period	(115,460)	(115,038)
Adjustments:		
Share-based compensation	5,051	9,250
Fair value loss of financial instruments with preferred rights	44,779	
Non-IFRS Loss	(65,630)	(105,788)
Attributable to:		
Owners of the Company	(65,630)	(103,504)
Non-controlling interests		(2,284)



ANSWERS FOR CANCER